

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF PUERTO RICO**

In re:

Ricardo J Rivera Balaguer

Debtor

Case No.12-09037 BKT

Chapter 11

MOTION TO SHOW CAUSE

TO THE HONORABLE COURT:

Comes now debtor in possession, Ricardo J Rivera Balaguer, through the undersigned counsel, and respectfully states as follows:

The Court issued at docket 26 an order to show cause why debtor has not complied with the Court's order of January 9, 2013, docket 16. Docket 16 in turn is the minutes of the status conference held in the case on January 9, 2013. The matters pending at the time were, the filing of application for employments of professionals (debtor's attorney; accountant and special counsel, for the family law matters):

The application for counsel for debtor in the chapter 11 proceedings was filed at docket 15, approved at docket 25. The application for the accountant is being filed today. It was not filed before, as the accountant had not prepared the same. As tax season is in effect, the office of the undersigned has prepared the application for the CPA that will be completed today by the accountant and the debtor. The application for the special counsel for the family law matters is also being prepared in the same fashion. This had taken longer, as a meeting with the special counsel could not be held until today. The employment of Lcda. Gonzalez Otero has the added issue of a pre filing debt for fees pending at the time of the filing of the petition. Should special counsel

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agree to subordinate the collection of fees, the application will be filed as such. If counsel does not agree, substitute counsel will be requested. It is believed, however, that the Bayamon family court will not allow the withdrawal of Lcda. Gonzalez Otero, as there are presently several matters pending. A status report with the details of pending hearings is included herein.

As to the matters pending with the US Trustee, the evidence of closing of pre filing accounts was sent to the UST on January 14, 2013. Evidence of the opening of the debtor in possession bank account timely opened is being forwarded to the UST today.

As to the proof of insurance, we are inquiring with the UST as to what it relates to, since debtor is an individual that receives regular income for professional services from a corporation. The financial statement or balance sheet will be filed before the end of the week, March 15, 2013.

Debtor has also amended the address in the voluntary petition, at docket 21. Schedules were amended at dockets 19 and 20. The filing of monthly operating reports is current, with the January 2013 report having been filed at docket 29. The MORs due at the time of the status conference, November and December are were filed at dockets 22 and 23.

In addition, other schedules are being amended. Schedule E did not include the DSO obligation, pending the conclusion of the divorce hearing that was held in various dates, starting on May, 2010. An order on the divorce was issued on February 5, 2013. The Judgment, in addition to declaring the divorce, states the DSO obligation, which incorporates various amounts for sanctions and attorneys fees issued before the

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judgment a hearing that was held on February. The debt of temporary alimony (pendente lite) is stated at \$56,400, which amount is now included in the amended schedule E, being filed today.

Schedule D is also being amended to reflect the secured debt with IRS, market value of the real estate (dependent's residence) and the debt with the secured creditor. As per the estimated values, there is no unsecured deficiency. The secured creditor has not filed a claim.

Schedule F now shows the pre filing debt to Lcda. Evelyn Gonzalez Otero for professional services.

FAMILY COURT PROCEEDINGS

As detailed above, the divorce decree was issued. The judgment was not notified until February 25, for which it is not yet final, although no appeals are expected, having the amounts owed been stipulated between the parties.

Currently there are temporary DSO payments in place, pending the final determination by the Bayamon Court. Hearings on this issue and contempt are scheduled for March 18, May 8 and May 22, 2013.

WHEREFORE, it is respectfully requested from this Honorable Court that debtor has complied with the Court's orders at docket 16, and shown cause.

NOTICE

WE HEREBY CERTIFY that the foregoing motion was filed with the Clerk of the US Bankruptcy Court for the District of Puerto Rico electronically using the CM/ECF system, which automatically serves notification of the filing to the US Trustee's Office and to parties in interest, including counsel for Johanna Lanza, at terelube@gmail.com

In San Juan, Puerto Rico, this 13th day of March 2013.

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/s/ Carlos E. Rodríguez Quesada, Esq.
USDC-PR #124810
PO Box 9023115
San Juan, Puerto Rico 00902-3115
Tel (787) 724-2867 Fax (787) 724-2463
cerqlaw@coqui.net